

Message Text

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ACTION COME-00

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FM AMEMBASSY PORT AU PRINCE

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TAGS: ETRD HA

SUBJ: EXPORT RESTRICTIONS IMPOSED BY FOREIGN GOVERNMENTS

REF: STATE 146681

1. GOH EXPORT CONTROLS ARE DESIGNED PRIMARILY TO ASSURE ADEQUATE SUPPLIES OF VITAL COMMODITIES TO LOCAL MARKET, ESPECIALLY FOOD COMMODITIES. EXPORT AUTHORIZATIONS ARE REQUIRED FOR ALL ITEMS EXPORTED, WITH THE EXCEPTION OF COFFEE, BUT AUTHORIZATION IS ONLY DENIED IF COMMODITY IN QUESTION IS IN SHORT SUPPLY LOCALLY OR FOR REASONS OF PUBLIC HEALTH OR SECURITY.

2. EXPORT TAXES ARE IMPOSED ON SUGAR, SISAL, COFFEE, ESSENTIAL OILS, COCOA, MOLASSES AND A FEW OTHER ITEMS. IN ADDITION, ALL EXPORTS ARE SUBJECT TO (A) 6 OR 8 PERCENT "SPECIAL INVESTMENT ACCOUNT" TAX CALCULATED ON TOTAL F.O.B. VALUE, CUSTOMS DUTIES, TAX STAMPS, AND HANDLING CHARGES; (B) "ECONOMIC LIBERATION" TAX CALCULATED ON TOTAL OF CUSTOMS DUTIES, HANDLING CHARGES, TAX STAMPS, AND OTHER SUPPLEMENTARY TAXES, AS FOLLOWS: 5 PERCENT ON AMOUNT LESS THAN \$200, 2 PERCENT ON AMOUNT BETWEEN \$200 AND \$1,000, AND 1 PERCENT ON EXCESS OVER \$1,000; AND (C) FEE OF \$1.00 PER SHIPMENT EARMARKED FOR PELIGRE HYDROELECTRIC STATEION. EXPORTS OF BAUXITE ARE SUBJECT TO SPECIFIC TAX AGREED UPON

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BY GOH AND SOLE EXPORTER, REYNOLDS METALS. TAX WAS RENEG-

OTIATED IN DECEMBER 1974 AND IS NOW TIED TO PRICE OF RAW ALUMINUM IN U.S. ALONG LINE SIMILAR TO AGREEMENT BETWEEN REYNOLDS AND JAMACIAN GOVERNMENT.

3. QUANTITATIVE RESTRICTIONS: GOH PERIODICALLY IMPOSES BAN ON EXPORT OF FOOD PRODUCTS OF PRIME NECESSITY TO ASSURE ADEQUATE SUPPLY TO LOCAL POPULATION. DURING PAST FIVE YEARS, EXPORT OF LOBSTER AND CERTAIN MEAT PRODUCTS WAS BANNED FOR SHORT PERIOD IN 1973; SUGAR EXPORTS WERE BANNED FOR SEVERAL MONTHS IN EARLY 1974 BECAUSE OF ACUTE SHORTAGES ON LOCAL MARKET (BAN WAS LATER RESCINDECAND EXPORTS REACHED NORMAL LEVEL); NAD IN EARLY JUNE 1975, A TOTAL BAN WAS PLACED ON EXPORTS OF RICE CORN, BEANS, AND OTHER ESSENTIAL FOOD GRAINS IN RESPONSE TO FOOD SHORTAGE CAUSED BY DROUGHT IN THE NORTHWEST. IN ADDITION, EXPORTS OF HAITIAN COFFEE ARE SUBJECT TO QUOTA UNDER INTERNATIONAL COFFEE AGREEMENT, BUT HAITIAN QUOTA HAS NOT BEEN FILLED SINCE 1963. SIMILARLY, HAITIAN SUGAR EXPORTS NEPGR REACHED QUOTA ACCORDED TO COUNTRY UNDER THE NOW EXPIRED U.S. SUGAR ACT.

4. DE FACTO CONTROLS: ON MARCH 13, 1975, EXPORT OF ESSENTIAL OILS WAS PLACED IN HANDS OF GOH AGENCY SPECIALLY CHARGED WITH THIS TASK. AGENCY'S ROLE TO DATE HAS BEEN TO ENCOURAGE EXPORT OF HAITIAN OILS OF CONSISTENT QUALITY AND AT MAXIMUM PRICES AVAILABEL TO HAITIAN EXPORTERS IN ORDER TO MAXIMIZE EXPORT EARNINGS. THIS IS IMPROVEMENT OVER PREVIOUS SITUATION WHERE PRIVATE ASSOCIATION OF EXPORTERS PERIODICALLY WITHHELD SUPPLIES FROM INTERNATIONAL MARKET TO INFLUENCE PRICES. AGENCY IS PERMANENT AND IS EXPECTED TO CONTINUE TO FUNCTION FOR INDEFINITE FUTURE. ONLY OTHER STATE CONTROL IS IN AREA OF COTTON, WHERE RESPONSIBLE GOH AGENCY IS EMPOWERED TO RESTRICT EXPORT OF RAW COTTON TO INSURE ADEQUATE SUPPLIES TO LOCAL TEXTILE MANUFACTURERS.

5. COMMENT: EMBASSY CONSIDERS GOH EXPORTS CONTROLS TO HAVE MINIMAL EFFECT ON INTERNATIONAL TRADE, INCLUDING THAT WITH U.S. EXPORT CONTROLS PROVIDE SOME RESTRAINT ON VOLUME OF EXPORTS AND OCCASIONALLY AFFECT TIMING OF EXPORTS. FEW HAITIAN EXPORTS UNCLASSIFIED

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TO U.S. ARE VITAL TO U.S. MARKET. HAITIAN BAUXITE IS OF MOST SIGNIFICANCE FOR U.S. INDUSTRY, BUT CONTRACTUAL ARRANGEMENT BETWEEN GOH AND COMPANY DOES NOT APPEAR TO RESTRICT VOLUME EXPORTED. ISHAM

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